

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

CORRUGATED METALS, INC., a New Jersey corporation,	)	
	)	
Plaintiff,	)	
	)	
v.	)	DEMAND FOR JURY TRIAL
	)	
UNITED STATES STEEL CORPORATION,	)	
a Delaware corporation,	)	
	)	
Defendant.	)	

**COMPLAINT**

NOW COMES the Plaintiff, CORRUGATED METALS, INC., a New Jersey corporation, by and through its attorneys, Devin B. Noble and Evan J. Bonnett of Allen Galluzzo Hevrin Leake, LLC, and for its Complaint against the Defendant, UNITED STATES STEEL CORPORATION, a Delaware corporation, states as follows:

**Parties**

1. Plaintiff, Corrugated Metals, Inc. (hereinafter “CMI”), is a New Jersey corporation with its principal place of business located at 6550 Revlon Drive, Belvidere, Illinois, 61008.
2. The Defendant, United States Steel Corporation (hereinafter “USS”), is a Delaware corporation with its principal place of business located at 600 Grant Street, Pittsburgh, Pennsylvania, 15219.

**Jurisdiction and Venue**

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a)(1) based on complete diversity of the parties and the amount in controversy exceeding seventy-five thousand dollars (\$75,000).

4. This Court has general jurisdiction over USS because USS has continuous and systematic contacts with the Northern District of Illinois and the State of Illinois. This Court also has specific jurisdiction over USS based on the actions and/or omissions of USS described herein as well as the nature and subject matter of the agreement and transaction between the parties as described more fully herein.

5. Venue is proper in this Court because CMI's principal place of business is in the Northern District of Illinois, the subject contract was to be performed in the Northern District of Illinois, the damages were incurred by CMI in the Northern District of Illinois, and a substantial part of the events or omission giving rise to the claim occurred in the Northern District of Illinois.

#### Facts

6. CMI is engaged in the business of custom metal roll forming and corrugating many materials including galvanized steel, weathering steel, aluminum, and pre-painted finishes, and manufacturing heavy gauge, extra-wide, corrugated roofing and siding materials for use in industrial, commercial, and architectural projects. The CMI manufacturing process includes, among other things, roll forming, press-baking, mechanical power-press operations, shearing, cut-to-length and turret-punch operations.

7. USS is engaged in the business of, among other things, manufacturing steel for various uses and purposes throughout the United States, including the State of Illinois.

8. On or about June 12, 2023, CMI and USS executed a written contract between them dated July 9, 2023, and known as the Binding Term Sheet / Exclusivity Agreement (the "Contract"). A true and accurate copy of the Contract is attached hereto and incorporated herein as **Exhibit A.**

9. The Contract provides binding terms and conditions between USS and CMI for transaction(s) by which steel substrate owned and provided by USS ("Substrate") was to be roll formed by CMI using tooling owned by CMI into corrugated panels ("Tooling Services") for use in the manufacture of global intermodal ocean containers ("Containers").

10. The Contract provides that CMI was obligated to provide "Labor Only" for the Tooling Services to produce four component parts for the Containers from the Substrate including (a) Side Wall Panel, (b) Front Wall Panel, (c) Rear Wall, and (d) Roof (collectively the "Component Parts").

11. The Contract provides that a one-time minimum of 2,500 tons of Substrate was required to be provided by USS to CMI and roll formed by CMI for USS in 2024 as part of the Tooling Services under the Contract.

12. The Contract further provides that the costs for the Tooling Services would be billed in accordance with the following pricing:

PART	EST. ANNU. USAGE (LBS)	L.O. PRICE PER POUND	LBS/PIECE	EST ANNU. USAGE (PCS)	L.O. PRICE/PIECE	EST. ANNU. COST
SIDEWALL	30,200,000	\$ 0.30	105	100,000	\$ 32.90	\$ 3,290,000
FRONT WALL	3,400,000	\$ 0.30	116	30,000	\$ 35.00	\$ 1,050,000
REAR WALL	1,500,000	\$ 0.31	78	20,000	\$ 23.80	\$ 476,000
ROOF	5,300,000	\$ 0.31	105	50,000	\$ 32.90	\$ 1,645,000

13. Pursuant to the Contract, USS and CMI agreed to exclusivity regarding the Tooling Services as follows: "For a period of three (3) years beginning as of [execution of this Agreement], [USS] and CMI agree to the following exclusivity with respect to the Tooling Services required to produce the Component Parts (the "Exclusivity Period")."

14. The Contract further provides: "During the Exclusivity Period, [USS] will not solicit bid proposals, or purchase materials and/or services from any third party for roll formed metal parts with the same requirements as the Tooling Services or for any other functions related

to the Tooling Services that are part of the scope of work between [USS] and CMI for the Tooling Services and routinely performed by CMI in the execution of Purchase Orders placed by CMI by USS ... the Exclusivity Period, CMI will only perform the Tooling Services for [USS].

15. Following the execution of the Agreement and in reliance on USS's obligations under the Agreement, CMI acquired and implemented at its facility, at its sole expense, certain machinery required to perform the Tooling Services for USS under the Contract.

16. On or about September 13, 2023, representatives of USS and CMI met at CMI's facility in Belvidere, Illinois, for first article review and approval in connection with the Contract.

17. CMI has been ready, willing, and able to perform its obligations under the Contract, including the Tooling Services, at all relevant times.

18. The Contract provides that USS was obligated to order a minimum amount of tooling services from CMI within calendar year 2024 such that USS was required to order from CMI a minimum of 2,500 tons of Substrate to be roll formed into Component Parts and was obligated to provide the Substrate material for such order(s).

19. As of December 31, 2024, USS failed to order any Tooling Services or Component Parts from CMI.

20. CMI sent monthly statements to USS throughout 2024 detailing the amount of tonnage of substrate that had been roll formed to date under the Contract. The monthly statements are attached hereto as **Group Exhibit B**.

21. CMI provided Notice to USS at various times throughout 2024 notifying USS that it had not ordered the minimum requirement under the Contract and reminded USS of the minimum ordering obligation under the Contract.

22. At various times in 2024, USS and CMI representatives met to discuss the Contract, and USS at all relevant times affirmed its intent to honor its obligations under the Contract including the minimum ordering obligation.

23. USS breached the Contract by failing to order the minimum amount of Tooling Services from CMI under the Contract.

24. The minimum that USS was obligated to order under the Contract was 2,500 tons charged at the rates set forth in the Contract resulting in a loss of revenue to CMI in the amount of not less than \$1,500,000.00.

25. The Contract is a valid, binding, and enforceable contract between USS and CMI.

26. CMI has performed all its obligations under the Contract, or has been ready, willing, and able to perform its obligations, but has been prevented from doing so by USS's failure to order the Tooling Services under the Contract and provide the Substrate materials to CMI.

27. USS failed to perform its obligations under the Contract and thus breached the Contract by failing to order the minimum amount of Tooling Services and/or Component Parts from CMI during calendar year 2024.

28. As a direct and proximate result of USS's failure to perform, CMI has incurred monetary damages of not less than \$1,500,000.00, plus incidental and consequential damages.

29. CMI is also entitled to be awarded statutory prejudgment interest at the rate of five percent per annum pursuant to 815 ILCS 205/2.

WHEREFORE, the Plaintiff, CORRUGATED METALS, INC., a New Jersey corporation, respectfully requests a judgment be entered in its favor and against Defendant, UNITED STATES STEEL CORPORATION, in the amount of not less than \$1,500,000.00, plus prejudgment interest and court costs, and for such other relief as this Court deems just and necessary.

**PLAINTIFF DEMANDS TRIAL BY JURY**

Dated: February 5, 2025

CORRUGATED METALS, INC., a New Jersey  
Corporation, Plaintiff

By: ALLEN GALLUZZO HEVRIN LEAKE, LLC

By: /s/ Devin B. Noble

Devin B. Noble  
One of the Attorneys

**PREPARED BY:**

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ALLEN GALLUZZO HEVRIN LEAKE, LLC

839 N. Perryville Road, Suite 200

Rockford, Illinois 61107

P: 815-265-6464

**Binding Term Sheet****Exclusivity Commitment**

June [9], 2023

**Parties:** United States Steel Corporation ("U. S. Steel")  
 Corrugated Metals, Inc. ("CMI")  
 (each a, "Party" and together the, "Parties")

**Agreement:** This Term Sheet details certain binding terms between U. S. Steel and CMI for an intended transaction between the Parties whereby CMI will roll form steel owned by U. S. Steel (the "Substrate") and using tooling owned by CMI, into corrugated panels (the "Tooling Services") for use in the manufacture of global intermodal ocean containers (the "Containers").

CMI will provide "Labor Only" for the Tooling Services to produce the four below detailed component parts from the Substrate:

- Side Wall Panel.
  - Front Wall Panel.
  - Rear Wall.
  - Roof.
- (together, the "Component Parts");

Costs for performing the Tooling Services on the Substrate is intended to be provided according to the below-detailed pricing:

PART	EST. ANNU. USAGE (LBS)	L.D. PRICE PER POUND	LBS/PIECE	EST. ANNU. USAGE (PCS)	L.D. PRICE/PIECE	EST. ANNU. COST
SIDE WALL	30,000,000	\$ 0.30	100	300,000	\$ 32.90	\$ 3,290,000
FRONT WALL	3,400,000	\$ 0.30	116	30,000	\$ 35.00	\$ 1,050,000
REAR WALL	1,500,000	\$ 0.31	70	20,000	\$ 23.00	\$ 460,000
ROOF	5,300,000	\$ 0.31	106	50,000	\$ 31.90	\$ 1,595,000

**Exclusivity:** The exclusivity detailed below shall be a binding commitment of the Parties and shall serve as each party's basis to proceed with related activities related to production of the Containers.

- \* For a period of three (3) years beginning as of [execution of this Agreement], U. S. Steel and CMI agree to the following exclusivity with respect to the Tooling Services required to produce the Component Parts (the "Exclusivity Period").
- \* During the Exclusivity Period, U. S. Steel will not solicit bid proposals, or purchase materials and/or services from any third party for roll formed metal parts with the same requirements as the Tooling Services or for any other functions related to the Tooling Services that are part of the scope of work between U. S. Steel and CMI for the Tooling Services and routinely performed by CMI in the execution of Purchase Orders placed with CMI by U. S. Steel.

**Exhibit**

1A

- the Exclusivity Period, CMI will only perform the Tooling Services for U. S. Steel.

**One-Time**

**Minimum:** The only other binding obligation is the Parties' agreement that a minimum of 2,500 tons of Substrate will be roll formed by CMI for U. S. Steel in 2024 as part of the Tooling Services.

**AGREED TO AND ACCEPTED:**

UNITED STATES STEEL CORPORATION

  
DOUG FINKBEINER

Date: 6/12/2023

[Title] DIRECTOR BUSINESS DEVELOPMENT

CORRUGATED METALS, INC.



Date: 6/12/2023

[Title] VICE PRESIDENT





6550 Revlon Drive  
Belvidere, IL 61008

Phone (815) 323-1310  
(800) 621-5617  
Fax (815) 323-1317

Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 01/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>01/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>01/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00

[www.corrugated-metals.com](http://www.corrugated-metals.com)  
*Aluminum- Stainless – Galvanized - Aluminized*



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Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 02/29/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through 02/29/2024	-	-
Minimum tons remaining to be shipped in 2024 as of 02/29/2024	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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For the Month Ended 03/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9,	2,500	5,000,000
Tons formed Year-To-Date Through <u>03/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>03/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00

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For the Month Ended 04/30/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>04/30/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>04/30/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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For the Month Ended 05/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9,	2,500	5,000,000
Tons formed Year-To-Date Through <u>05/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>05/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00

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Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 06/30/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9,	2,500	5,000,000
Tons formed Year-To-Date Through <u>06/30/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>06/30/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 07/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9,	2,500	5,000,000
Tons formed Year-To-Date Through <u>07/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>07/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$1,500,000.00	\$1,500,000.00

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Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 08/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>08/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>08/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00





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**Corrugated Metals, Incorporated**

**Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel**

**For the Month Ended 09/30/2024**

	<b>Tons</b>	<b>Pounds</b>
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>09/30/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>09/30/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 10/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>10/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>10/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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Corrugated Metals, Incorporated

Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel

For the Month Ended 11/30/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9, 2023:	2,500	5,000,000
Tons formed Year-To-Date Through <u>11/30/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>11/30/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00



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Corrugated Metals, Incorporated  
Statement of Account for Binding Term Sheet dated June 9, 2023 between CMI and U.S. Steel  
For the Month Ended 12/31/2024

	Tons	Pounds
Minimum tons of substrate to be formed by CMI for U.S. Steel in 2024, per Binding Term Sheet dated June 9,	2,500	5,000,000
Tons formed Year-To-Date Through <u>12/31/2024</u>	-	-
Minimum tons remaining to be shipped in 2024 as of <u>12/31/2024</u>	2,500	5,000,000
L.O. Price Per Pound	\$ 600.00	\$ 0.30
Minimum billing remaining for 2024	\$ 1,500,000.00	\$ 1,500,000.00